

Agency 240

**Department of Licensing****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2003-05 Expenditure Authority</b>	1,231.6	10,481	215,396	225,877
<b>Total Maintenance Level</b>	1,245.7	11,185	216,316	227,501
Difference	14.1	704	920	1,624
Percent Change from Current Biennium	1.1%	6.7%	0.4%	0.7%
<b>Performance Changes</b>				
Fund Realignment				
Washington Federation of State Employees Cost of Living Adjustment/Salary Survey		213	2,950	3,163
Washington Public Employee Association Cost of Living Adjustment/Salary Survey			64	64
Professional/Technical Employees Local 17 Cost of Living Adjustment/Salary Survey			872	872
Super Coalition Health Benefits		169	2,950	3,119
Classification Revisions			11	11
Performance Pay		26	217	243
Nonrepresented Employees Cost of Living Adjustment		104	878	982
Nonrepresented Employees Health Benefit Change		29	257	286
Pension Method Change		(196)	(2,842)	(3,038)
Nonrepresented Salary Survey Implementation			54	54
General Inflation		(50)	(1,014)	(1,064)
LSO Credit and Debit Card Payment	1.5		1,021	1,021
HP 3000 Replatforming	9.1		8,529	8,529
Driver Fitness Study	.7		272	272
Motorcycle Program	4.0		665	665
CDL Program	5.8		1,087	1,087
MCSIA - Compliance	.8		490	490
Additional LSO Network Capacity			496	496
BPD License Query Systems	3.5	242	336	578
MLS Electronic Document Management	1.0		389	389
<b>Subtotal</b>	26.3	537	17,682	18,219
<b>Total Proposed Budget</b>	1,271.9	11,722	233,998	245,720
Difference	40.4	1,241	18,602	19,843
Percent Change from Current Biennium	3.3%	11.8%	8.6%	8.8%
<b>Total Proposed Budget by Activity</b>				
Providing Strategic Direction through Executive and Technology Administration	25.3	206	3,591	3,797
Driver License Suspensions and Reinstatements, and Maintenance of Driver Records	144.7	197	17,465	17,662
Examining and Licensing Citizens to Operate Motor Vehicles	450.8	4	80,653	80,657

## TRANSPORTATION

	Annual FTEs	General Fund State	Other Funds	Total Funds
Providing Consumer Education & Protection From Identity Theft	6.3		915	915
Providing Due Process for Drivers	64.4		10,158	10,158
Preparing Citizens to Operate Motor Vehicles Safely	10.0		4,283	4,283
Firearms Registration and Licensing	7.8	683		683
Centralization of License Requirements For Businesses	57.2		9,281	9,281
Administration of Fuel Tax Collection and Motor Carrier Services	106.1	94	19,829	19,923
Professional Licensing and Regulation	140.9	8,560	13,433	21,993
Uniform Commercial Code Program	18.5		2,723	2,723
Administration of Regulatory Functions Involving Vehicle and Vessel Dealers and Manufacturers	42.4	104	8,224	8,328
Administration of Vehicle and Vessel Title and Registration Services	197.8	1,246	54,272	55,518
Compensation Cost Adjustment		628	9,171	9,799
<b>Total Proposed Budget</b>	<b>1,271.9</b>	<b>11,722</b>	<b>233,998</b>	<b>245,720</b>

## PERFORMANCE LEVEL CHANGE DESCRIPTIONS

### Fund Realignment

Transportation funds are adjusted to more accurately reflect financial plan allocation of resources. (Highway Safety Fund-State, Motor Vehicle Account-State)

### LSO Credit and Debit Card Payment

Funding is provided to allow the Department of Licensing (DOL) to accept debit/credit cards as forms of payment from customers in Licensing Services Offices. This funding will pay for equipment, computer programming, credit/debit card fees, and FTE staff. (Highway Safety Fund-State)

### HP 3000 Replatforming

Funds are provided to move the functions performed by the HP 3000 system to a new computer platform. The Vehicle Field System and Prorate Fuel Tax heating oil applications will be moved to the agency's standard server architecture. Communications lines will be upgraded to support the new architecture. (Highway Safety Fund-State)

### Driver Fitness Study

Funding is provided for a study that will address the problem of potentially unfit and unsafe drivers by identifying tools, methods, and processes that are capable of effectively detecting, evaluating, and mitigating the risk to public safety that these drivers can present. It will evaluate the various aspects of how to promote driver fitness including education and training, examinations, and reporting by clinical and driving skills professionals, law enforcement and the evaluation of driver records. A group of agency staff, legislators, legislative staff, medical providers and other stakeholders, facilitated by a contracted consultant, will conduct the study. DOL will establish an interdisciplinary work group that will evaluate the effects of driver fitness on safe driving ability and will develop a comprehensive approach to licensing drivers and certifying driver fitness. Desirable outcomes are expected to include the identification of risk factors associated with driver fitness and safe driving ability; the availability and effectiveness of remedial measures; the prevalence and effect of degenerative processes affecting vision, mobility, cognitive functions, and reaction time; consensus among stakeholders regarding the best practices used by other states to evaluate, monitor and administer their driver fitness program components; and recommendations for how the department can improve its processes for the certification of driver fitness and safe driving ability. (Highway Safety Fund-State)

**Motorcycle Program**

Funding is provided for additional Motorcycle Safety program staffing to manage increased workloads and more fully meet statutory requirements. Staff will develop and perform motorcycle safety instructor training, conduct audits of motorcycle schools and student instruction, locate and evaluate prospective training site locations, and perform additional motorcycle safety awareness duties. (Motorcycle Safety Education Account-State)

**CDL Program**

Funding is provided for additional Commercial Driver License (CDL) program staffing to manage increased workloads as a result of the USA Patriot Act, Federal Motor Carrier Safety Improvement Act, and requirements from a recent federal audit of the department's Commercial Driver License program. The purpose of the changes in federal regulation is to increase public transportation system safety. The requested staff will develop, implement, and conduct audits of third-party testers who are responsible for vehicle operation testing of Commercial Driver License candidates. This will bring the department into compliance with federal mandates to strengthen the testing requirements of third-party testers and implement compliance and monitoring procedures. (Highway Safety Fund-State)

**MCSIA - Compliance**

Funding is needed to modify commercial driver licensing computer systems for compliance with federal standards and the specifications of the USA Patriot Act and the Motor Carrier Safety Improvement Act (MCSIA). Systems to be modified include the commercial driver license information system, the problem driver pointer system, the united network interface and driver services applications that interface with these national systems. (Highway Safety Fund-State)

**Additional LSO Network Capacity**

Funding is provided for the additional network capacity needed for the successful implementation and compliance with new state and federal legislation requiring the use of biometrics, and the access to, and exchange of, driver data with state and federal authorities. Driver licensing field offices have utilized all available data communications network capacity. The increased capacity funded here provides sufficient network capacity to implement mandated program changes while ensuring current levels of service without increases in customer wait times. (Highway Safety Fund-State)

**BPD License Query Systems**

Funding is provided to re-develop and re-engineer the Business and Professions Division's (BPD) license query systems. This will result in Internet-based sites that citizens, businesses and government agencies can use to make informed decisions about the retention or use of any business, or professional licensed by the department. It is an enterprise-wide approach to providing necessary information to the public, businesses, state and other agencies, and to DOL program staff. (General Fund-State, multiple other funds)

**MLS Electronic Document Management**

This item provides funding to convert master license service business licensing documents from a paper and microfilm system to an electronically imaged system. These documents are used by multiple agencies for over a hundred different license types. This technology change in sharing and accessing documents will have enterprise-wide benefits. (Master License Account-State)

**ACTIVITY DESCRIPTIONS****Providing Strategic Direction through Executive and Technology Administration**

This activity provides leadership and administration of daily functions for an agency with 1,224 employees. It focuses on strategic direction and oversight, human resources, employee development and training, performance management, public affairs, administrative services, information technology, internal audit, and budget development and monitoring. This activity partners with the courts, law enforcement, and other state and federal transportation agencies, and also serves as liaison to the Legislature, the Governor's Office, state agencies, the media, and stakeholders.

**Driver License Suspensions and Reinstatements, and Maintenance of Driver Records**

This activity maintains and updates driver records that provide vital information regarding the history and status of drivers on Washington's roadways. These records are accessible online and relied upon by the Department, law enforcement, and the courts to support shared missions of ensuring the safety of people and property in Washington. This activity updates and provides access to information for the Department of Social and Health Services' Division of Child Support, insurance companies, and other entities requiring timely and accurate status updates of driver licenses or

## **TRANSPORTATION**

identification cards. Individual driving records are updated with actions ranging from Failure to Appear (in court) to Driving Under the Influence (DUI). In addition, this activity ensures that drivers are operating their vehicles in accordance with the law by suspending and reinstating the driving privilege, through either administrative action or upon order of the court. This activity also verifies the financial responsibility of high-risk drivers. Authority: Chapter 46.01 46.20, 46.29, 46.52, 46.61, and 46.65 RCW

### **Examining and Licensing Citizens to Operate Motor Vehicles**

This activity provides for ensuring physical capability and skills to operate a motor vehicle. There are 4.4 million licensed drivers of cars, trucks, and motorcycles in Washington. The Department of Licensing (DOL) ensures that drivers have the physical capability and skills to operate a motor vehicle safely. To obtain and keep their driving privilege, drivers are required to pass minimum knowledge and skills tests and to meet minimum physical and visual standards. Additionally, DOL conducts special examinations and re-examinations for persons who fail to meet requirements for full driving privileges, and focuses on meeting citizens' expectations of accessing easy-to-use, timely, and responsive services.

Complying with Homeland Security directives to mitigate the risk to public health and safety, this activity administers the licensing requirements of 192,000 commercial vehicle drivers operating trucks and trailers, tankers, commercial and school buses, and 44,000 vehicle operators who transport hazardous materials.

In support of public health emergency response readiness, this activity registers citizens for the Organ Donor program. In partnership with the Secretary of State, this activity also collects 85,000 voter registrations.

Partnerships with the American Association of Motor Vehicle Administrators (AAMVA), the National Highway Traffic Safety Administration, the Washington Traffic Safety Commission, and various law enforcement entities enable the department to reduce traffic fatalities and remain current on driver's licensing issues. Authority: RCW 46.01.030, 46.01.150, 46.01.040, and 46.25.

### **Providing Consumer Education & Protection From Identity Theft**

This activity supports the safety of people and property, and the economic vitality of businesses and individuals by providing consumer education and partnering with the Washington State Patrol, local law enforcement, and federal agencies to investigate suspected license fraud, identify theft, and other criminal activity. More than 30 percent of the 2,400 annual identity theft allegations received represent crime-related activities such as check washing, letter fraud investments, credit card and check theft, loan frauds, and customer impersonation schemes. The average impact to victims of these criminal actions is \$5,300 per incident. Authority: RCW 46.01.030, 46.01.040.

### **Providing Due Process for Drivers**

In an effort to reduce preventable loss of life, injury or property due to accidents, this activity provides due process prior to the suspension of a citizen's driving privilege. Twenty-one hearing officers annually conduct: 15,700 driving under the influence (DUI) hearings which must be processed within 60 days; 1,200 hearings for habitual offenders who have accumulated multiple moving violations leading to increased civil penalties; 550 financial responsibility hearings for accidents without the required insurance; hearings to restrict the driving privileges of 170 drivers for medical reasons that impair their ability to safely operate a motor vehicle; and 60 fraud hearings. Authority: RCW 46.01.030, Chapters 46.20, 46.29, and 46.65 RCW.

### **Preparing Citizens to Operate Motor Vehicles Safely**

Promoting public safety through education and preparedness, this activity registers and monitors instructors and training programs of Commercial Driving Schools (CDS) and Motorcycle Safety Education (MSE). Successful administration of these programs ensures that curriculum requirements are met to assist new drivers (thousands of high school students annually, those new to the country or state, etc.) to safely and properly operate their vehicles. Partnerships with the Washington Traffic Safety Commission and Commercial Driver Training School Advisory Board assist in the administration of this activity. Authority: RCW 46.82; RCW 46.01.040, 46.82.290 RCW 46.81A.020

### **Firearms Registration and Licensing**

Law enforcement agencies are required to complete background checks and either approve or deny various firearms licenses. As the clearinghouse for firearms records, the DOL Firearms program provides law enforcement with the necessary information on firearms licenses to ensure that only those individuals who may lawfully possess a firearm can obtain licenses and purchase handguns. The program is also used to investigate criminal activity and to arrest and prosecute those individuals who violate state law using a firearm. Annually, DOL processes over 65,000 concealed pistol licenses, 50,000 handgun transfers, approximately 200 alien firearm licenses, and 600 firearm dealer licenses. In addition, DOL processes over 35,000 court conviction notices each year where an individual's firearm possession rights have been removed, and verifies concealed pistol license and firearm possession with law enforcement. DOL provides firearm dealers with information on procedures for transferring handgun ownership. By providing forms to document and complete the actual transfer, the Department also acts as a resource to law enforcement by providing direction and training on the firearm laws and proper licensing procedures. Statutory authority: RCW 9.41.

### **Centralization of License Requirements For Businesses**

The Master License Service program (MLS) simplifies the licensing process for businesses by collecting license application information for ten state agencies and four cities on a single form. The data and fees collected are then distributed to the appropriate agencies for licensing approval. Each year, MLS processes over 100,000 business license and registration applications on behalf of licensing and regulatory agencies. MLS collects and distributes close to \$30 million each year in licensing fees to our MLS partner agencies. MLS provides a single point of contact for information on all state licensing and regulatory requirements, as well as some local and federal information. This increases licensing compliance and revenue collections for all state agencies. MLS also processes the renewals for many state regulatory licenses and corporate and limited liability company licenses. MLS, in collaboration with the Secretary of State, provides a simple and quick registration renewal process for corporations and trade names. Statutory authority: RCW 19.02, and RCW 19.80.

### **Administration of Fuel Tax Collection and Motor Carrier Services**

This activity administers state motor vehicle fuel, special fuel, and aircraft fuel tax collection programs for the licensing fuel suppliers, exporters, importers, blenders, and distributors. This activity processes efficient fuel tax returns and associated payments; provides taxpayer education and training; and conducts audit and compliance investigations that reduce fuel tax evasion. It collects motor vehicle and special fuel taxes at the terminal rack and administers a dyed special fuel program for fuel used off-highway that is not subject to the state tax. DOL partners with tribal governments, providing revenue to the tribes through fuel tax refunds. The activity receives federal funds to implement new cost-saving programs, including the Commercial Vehicle Information System and Network (CVISN) program and the Performance Registration Information Systems Management (PRISM) program. CVISN benefits DOL, the Washington State Patrol (WSP), the Department of Transportation (DOT), and the interstate and intrastate trucking industry by allowing trucking companies to utilize electronic transponders to transmit information on their trucks without stopping at ports of entry and weigh stations. PRISM allows DOL and DOT to ensure that interstate trucks operating in Washington State meet current safety standards which translates into fewer highway accidents, traffic fatalities, and unplanned repairs to the state's transportation system. This activity also enables Washington-based interstate carriers to apply for and receive their international registration plan (IRP) operating credentials and file their international fuel tax agreement (IFTA) fuel tax returns via the Internet. Statutory Authority: RCW 46.32, RCW 46.85, RCW 46.87, RCW 82.12, RCW 82.36, RCW 82.38, RCW 82.41, RCW 82.42, RCW 82.80.

### **Professional Licensing and Regulation**

There are approximately 225,000 individuals and businesses licensed to practice in 27 professions regulated by the Business and Professions Division. (RCW 18.118.010 (1)) DOL evaluates license applications; develops and administers valid professional licensing exams; and administers programs of continuing education, licensing renewals, and technical assistance. Through its regulatory, audit, investigation, and enforcement activities, DOL protects consumers from fraud, malpractice, negligence, deceptive advertising, and other potential violations associated with the delivery of services. Enforcement includes revoking or suspending a license, restricting or monitoring the licensee's practice, or requiring completion of a remedial education program. DOL conducts approximately 6,150 audits or inspections each year to ensure compliance with regulations. Its online registry of licensed professionals alerts consumers to licensees who have been subject to disciplinary actions for unprofessional conduct. The 27 regulated professions include: appraisers, architects, auctioneers, bail bond agents, on-site wastewater inspectors and designers, cemeteries, collection agencies, commercial telephone solicitors, cosmetology, court reporters, employment agencies, engineers, funeral homes, geologists, land surveyors, landscape architects, limousine carriers, notaries, camping resorts,

## **TRANSPORTATION**

private investigators, professional athletics, real estate, security guards, sellers of travel, timeshare companies, vehicles for hire (taxi), and whitewater river outfitters.

### **Uniform Commercial Code Program**

In accordance with RCW 62A.9A, the Uniform Commercial Code (UCC) program maintains the central repository of liens on personal property of residents and businesses in Washington and conducts certified searches of its records for the public. The UCC program's central repository is a key part of the larger Uniform Commercial Code system and laws. By filing a financing statement with the UCC program, the secured party (creditor) establishes its priority against the collateral, in case of default by the debtor.

### **Administration of Regulatory Functions Involving Vehicle and Vessel Dealers and Manufacturers**

This activity ensures protection for vehicle and vessel dealers, manufacturers, and individuals through the administration and enforcement of laws that license and regulate approximately 6,900 vehicle manufacturers and dealers of motor vehicles, motorcycles, snowmobiles, off-road vehicles, motor homes, travel trailers, manufactured homes, and vessels.

This activity includes the administration of the licensing of wreckers, tow truck operators, hulk haulers, scrap processors, and motor vehicle transporters operating or doing business in Washington State. Statutory authority: RCW 46.09, RCW 46.10, RCW 46.12, RCW 46.16, RCW 46.37, RCW 46.55, RCW 46.70, RCW 46.76, RCW 46.79, RCW 46.80, RCW 46.93, RCW 46.96, RCW 88.02

### **Administration of Vehicle and Vessel Title and Registration Services**

This activity collects and administers vehicle and vessel fees and taxes to support state and local transportation projects, law enforcement, and the Washington State Patrol. It records ownership interest and issues a secure, negotiable title for some of our citizens' and businesses' most valuable assets, and indicates legal ownership of the vehicle or vessel to prospective buyers and lending institutions. Through an effective and extensive collection network, this activity partners with community groups, state and local agencies, counties, and cities to efficiently collect vehicle and vessel-based fees. Statutory authority: RCW 19.118, RCW 35.95A, RCW 42.17, RCW 46.01, RCW 46.09, RCW 46.10, RCW 46.12, RCW 46.16, RCW 46.32, RCW 46.68, RCW 59.22, RCW 65.20, RCW 81.104, RCW 82.12, RCW 82.44, RCW 82.49, RCW 82.80, RCW 88.02

### **Compensation Cost Adjustment**

This item reflects proposed compensation and benefit cost adjustments that were not allocated to individual agency activities. The agency will assign these costs to the proper activities after the budget is enacted.